

Days of Wine and Honey: Fun times in Livermore. [B-3]



LPD

Tri-Valley Herald

Section B

Thursday

January 14, 1993

THE VALLEY

Business owners, cable firm battling over 'event' fees

By Deborah Crowe
STAFF WRITER

PLEASANTON — Restaurant owner Brad Cotton is going to court next week for what he considers an innocent mistake.

Cotton is one of six Livermore Valley and San Ramon Valley

restaurants that have been notified to appear in court. "Just because you have a satellite dish doesn't mean you don't have to pay for programs," said George Franciscovich, a staff attorney at Viacom's regional office in Pleasanton.

Pay-per-view programs are available to residential users on a per-event basis and can cost up to \$40. If the event is available to commercial customers, the charge is based on the number of

“Just because you have a satellite dish doesn't mean you don't have to pay for programs.”

George Franciscovich
Attorney for Viacom Cablevision

satellite dish to capture programs.

“Just because you have a satel-

Franciscovich declined to release a list of the establishments

that have been notified to appear in court. "Just because you have a satellite dish doesn't mean you don't have to pay for programs," said George Franciscovich, a staff attorney at Viacom's regional office in Pleasanton.

That's not the message Cotton says he is receiving from the national television giant. He traces his problems with the company back to a misunderstanding with an HBO operator who charged him a non-commercial rate to show

really hadn't thought about whether there was going to be a commercial fee," Cotton said. "I think that if we had been able to use the Rod's Hickory Pit card, the operator might have questioned it and this all might have been avoided."

Cotton didn't find out until a year later that two Viacom invest-

Cable firms get tough with bars that don't pay

Harry
FBI

At-Times
11/2/93

Viacom suing some violators for \$100,000

By David Mills
Staff writer

Bay Area cable television companies are sending a signal to restaurants and bars that they say are showing pay-per-view sporting events without paying for them:

Stop, or you may face legal action.

"The case is simple. A number of establishments are showing these fights without paying for them," said George Franciscovich, attorney with Viscum, Noble, ...

Several ways to steal

The cable company says the establishments steal the show in several ways.

One is to put up a satellite dish and grab the signal from the sky.

Another is to order the event at home at a much cheaper rate than the commercial price and then bring the converter box into the bar and restaurant.

Or, a patron will tape the fight or other event at home and then bring in the tape to the establishment right after the match is over.

In all instances, Franciscovich says, the establishments are violating a cable television act passed in

Didn't show it live

Steven Bovarnick, attorney representing the Swinging Door Bar in San Francisco's Sunset District, said his client has been sued by Viacom because he was watching a tape of a heavyweight championship fight between Mike Tyson and Donovan "Razor" Ruddock a few hours after the event was shown live on Viacom.

Bovarnick said the bar owner didn't show the fight live and didn't advertise he was going to show it. Bovarnick added this incident happened in June 1991 and it's the only time his client has done such a thing.

Bovarnick said he doesn't believe watching a tape violates the cable television statutes. Viacom, he said, still wants \$100,000.

"My client believes he didn't do anything wrong," said Romanick. "I

San Francisco Chronicle

Cable Company Sues Sports Bars Over Pay Shows

By Jim Doyle
Chronicle Staff Writer

Television giant Viacom Cable is putting the squeeze on Bay Area bars and restaurants that show pay-per-view and premium cable events such as prizefights without paying commercial fees.

In a string of lawsuits, Viacom has accused some of the Bay Area's most popular watering holes and eating establishments of pirating its cable signals so patrons can watch events such as the Evander Holyfield-Larry Holmes world heavyweight championship bout during the summer.

Viacom's complaint is that these businesses are using electronic descramblers and rerouting signals from nearby residences to intercept its special programs and show them on big video screens.

Club owners respond that they are not breaking the law when they use rooftop satellite dishes to pick off cable signals or when they replay home videotapes of boxing matches shortly after the live broadcasts.

San Francisco lawyer Steven Bovarnick, who represents the Swinging Door Bar in the Sunset District, characterized the Viacom suits as "a bunch of malarkey."

"I guess there's some bars with

CABLE: Page A13 Col.1

CABLE: Lawsuits Filed

From Page 1

illegal decoders, but not my guy. He did not intercept the signal. He watched a tape of the fight on his bar TV," Bovarnick said. "Up to now, Viacom has allowed bars to show fights. Why now are they picking on all these small bars?"

Two weeks ago, Viacom lawyers filed complaints in U.S. District Court in San Francisco against a half dozen local spots for allegedly showing various prizefights during the past 18 months.

Viacom claims that the club owners should have paid a commercial fee — usually hundreds or thousands of dollars, based on the number of seats in the establishment — to the promoters of the fight broadcasts.

The suits demand \$110,000 each in fines against Houlihan's of San Francisco, the Philadelphia Cheese Steak Restaurant in Pleasanton, Matteucci's Bar in San Anselmo, McNear's Saloon in Petaluma, Nave's Bar & Grill in Fairfax and Terry's Lodge in San Francisco.

Since June, Viacom has brought 22 suits in the Bay Area — demanding payment of millions of dollars in fines.

The cable firm is also seeking federal court injunctions ordering the clubs not to show pay-per-view and other premium cable channel events in the future unless they pay hefty commercial fees for each event.

The suits were filed on behalf of the Television Signal Corp., a Viacom subsidiary.

Viacom spokeswoman Suzie Evans says that the businesses are violating federal cable and copyright laws in order to attract more patrons — resulting in lost revenues for the cable distributor and pay-per-view program vendors, such as boxing promoter Don King.

"When they steal this product, the promoter is not getting his fair share and neither are we," Evans said. "We put out a chunk of money for these events. We have to get our money back and, hopefully, make a profit."

The federal Cable Communications Policy Act of 1984 prohibits the "unauthorized interception and willful commercial transmission" of cable signals and subjects violators to civil and criminal penalties.

Viacom — which has exclusive cable franchises in San Francisco and numerous communities throughout Northern California — maintains that piracy is a growing problem.

The company sometimes sends notices to sports bars warning them not to broadcast an upcoming pay-per-view event. It also sends private investigators and field technicians into nightclubs to document cases of unauthorized viewing.

Pay-per-view events are available to residential cable subscribers on a program-by-program basis — at a cost per home of up to \$39.95 per show. Nightclubs are often required to contract directly with program vendors for closed-circuit access to boxing matches and other pay-per-view events.

While a few sports bar owners are resisting the lawsuits, others have agreed to shell out costly settlements to Viacom.

Houlihan's general manager, George Archibal, denies any wrongdoing.

"We're very strict on copyright and legal matters. The only shows we play in the bar are those approved by the front office," he said, adding that the bar uses a satellite dish to receive its programs.

"I don't think I did anything wrong," said Walter Castillo, who owns the Transfer Club in the Mission District. Viacom sued the Latin dance hall last July for \$480,000 in damages because it allegedly broadcast four prizefights in 1991 without permission.

"Someone told me after the (Mike Tyson vs. Razor Ruddock) fight, 'Hey, I've got the tape. Should I bring it over?' So I put it on. Why not?" Castillo said, adding that he knows nothing about the three other boxing events.

Three San Francisco establishments, Hamburger Nancy's, McCarthy's Pub and Shanghai Kelly's, have each agreed to pay several thousand dollars to settle Viacom suits against them.

"They made little, if any, money off these broadcasts. None of these places charged admission," San Francisco lawyer Gregory Rocca said on behalf of the three establishments. "But Viacom has certainly tried to make examples out of these companies."

Viacom sues to protect cable signal

By RONNIE COHEN
From the San Francisco Bureau

Viacom Cable has stopped McNear's Saloon with a lawsuit alleging the Petaluma bar pirated a cable signal so McNear's patrons could watch a pay-per-view prize fight on the saloon's big-screen television.

The suit, filed last month in U.S. District Court in San Francisco, demands \$110,000 in fines.

Since June, Viacom has brought 21 other similar suits in the San Francisco area asking for payments totaling millions of dollars.

The cable firm also is seeking injunctions ordering McNear's and the other establishments not to show pay-per-view and other premium cable channel events in the future unless they pay commercial fees for the shows.

"When they steal this product, the promoter is not getting his fair share and neither are we,"

money for these events. We have to get our money back and, hopefully, make a profit."

McNear's allegedly aired the fight in question, Tony-McCallum, in December 1991.

But McNear's owner Jeff Harriman said the little-known fight would not have stirred such a racket by itself. Harriman said he believes Viacom's primary interest is in trying to muscle him to stop broadcasting big-name fights, like the Holyfield-Rodriguez world heavyweight championship last summer, in his quarter next to the saloon.

"We pay \$2,000 to \$3,000 for the rights to show the fights from closed-circuit providers," Harriman said. "I don't think Viacom's too happy with our cutting into their market. So they're trying to tell us to go away."

But Viacom lawyer George Franciscovich said Viacom has no bone to pick with Harriman.

Viacom wants bars and restaurants to stop showing events to which they have no legal right.

Harriman said he uses a satellite antenna to bring television to his saloon. He would prefer to buy cable from Viacom, but Viacom does not provide cable service in the downtown Petaluma business district.

Harriman said he did not know if McNear's aired the Tony-McCallum fight. If the bar did show the fight, Harriman said it would have come off the satellite antenna.

Viacom sells special programs like fights to bars and charges them commercial fees, usually hundreds or thousands of dollars, depending upon the number of seats in the establishment. Household cable subscribers can buy pay-per-view programs for up to \$39.95 per show.

Viacom alleges the offending bars and restaurants have used

show them on big-screen televisions.

Franciscovich said some alleged offending bars have ordered the programs at local establishments. Others, he said, videotaped the shows and then at their pubs.

The Federal Cable Communications Policy Act of 1984 prohibits cable piracy and imposes civil and criminal penalties.

Other establishments Viacom filed suit against include Rihon's of San Francisco, the Philadelphia Cheese Steak Restaurant in Pleasanton, Mattiace's in San Anselmo, Nave's Bar & C in Fairfax and Terry's Lodge San Francisco.

Angus Barker
January 11, 1993

Cable TV firm sues local bar

Viacom charges McNear's, others pirating signals

By The Associated Press
Viacom Cable has sued several Bay Area bars and restaurants, including McNear's Saloon in Petaluma, alleging that the establishments are pirating its cable signals so patrons can watch pay-per-view prize fights.

Viacom filed the complaints last month in U.S. District Court in San Francisco, accusing a half dozen businesses of showing various fights over the last 18 months.

The suits demand \$110,000 each in fines from McNear's, Haulthian's of San Francisco, the Philadelphia Cheese Steak Restaurant in Pleasanton, Maticucci's

Bar in San Anselmo, Nave's Bar & Grill in Fairfax and Terry's Lodge in San Francisco.

Since June, Viacom has brought 22 suits in the San Francisco area demanding payments totaling millions of dollars.

The cable firm also is seeking injunctions ordering the establishments not to show pay-per-view and other premium cable channel events in the future unless they pay large commercial fees for each show.

"When they steal this product, the promoter is not getting his fair share and neither are we," said Viacom spokeswoman Suzie Evans. "We put out a chunk of money for these events. We have to get our money back and, hopefully, make a profit."

(See Cable, page 11)

• Cable —

(Continued from page 1)

Viacom alleges that the bars and restaurants have used electronic decramblers to reroute the signals from nearby residences in order to intercept the special programs and show them on big-screen television.

McNear's owner Jeff Harkishan could not be reached for comment before deadline today.

Mass. Operator Burns Firefighters on Piracy Suit

By ROD GRANGER

United Video Cablevision Inc. is asking for close to \$1 million in damages in a cable theft civil suit filed against a group of 23 firefighters in Westport, Mass.

The suit, filed Nov. 5 in Superior Court in Taunton, resulted from the firefighters' refusal to name the supplier of the illegal "black boxes" confiscated by the cable company, said Edward Merrill, general manager of United Cablevision in Westport.

"We confiscated the boxes at the fire department, explained to the firemen that it was illegal and wanted cooperation," said Merrill. "We weren't after the firefighters at this point."

The firefighters had been receiving free basic cable from United Video. The illegal decoders enabled them to receive free premium services.

Discussions with the fire chief began last May, and after several months the firefighters still refused to reveal where the boxes came from, Merrill said.

"After months, we decided to involve our attorney, at which point the fire chief, deputy chief [who were named in the suit] and firefighters' union hired their own attorney," he said.

The firefighters eventually voted not to reveal where the boxes came from, but offered instead to issue a

public apology and made a monetary offer, which United Video considered too low.

"We stuck to wanting the [supplier of] the boxes," Merrill said.

Negotiations between the two sides became increasingly hostile, at which point "lines were drawn" and the operator filed the civil suit, said Merrill. "We would like to see this thing settled quietly, and it never would have come to this point if

there had been cooperation."

Two attorneys are involved on the firefighters' side, one for the union, the other for the individual firefighters, according to David Sorrenti, who is representing United Video Cablevision.

The firefighters' trial is tentatively scheduled for April, while no date has yet been assigned for the union, Sorrenti said.

The fire chiefs are also sched-

uled to appear at a hearing on Jan. 21, regarding their failure to respond to settlement letters sent by Sorrenti, he said.

"We sent a letter, before filing the suit, seeking damages of \$5,000 per person; the chiefs never responded to that," Sorrenti said.

The chiefs filed a counterclaim against United Video saying that the letters sent to them "constituted extortion, threats and civil

rights violations," said Sorrenti. The Jan. 21 hearing concerns a motion filed by Sorrenti to dismiss that counterclaim. Between now and the tentative April court date, Sorrenti will engage in the discovery process, during which he intends to depose each of the firefighters named in the suit, he said.

Attorneys for the firefighters did not return calls. ■

Region

Movie companies suing N

By Betty Gerbohn

Eight movie companies have filed a complaint against a Miami, Fla.-based cable company, alleging copyright infringement on 85 movies aired by the company on HBO, Showtime and the Disney Channel.

The complaint, filed in U.S. District Court in Tampa, names as defendants B & G Financial Services Inc., doing business as Providence Entertainment System, and David J. Betting and Russell G. Goldberg, the owners of B & G.

The plaintiffs are Columbia Pictures Industries Inc., Metro-Goldwyn-Mayer Inc., Paramount Pictures Corp., TriStar Pictures Inc., Twentieth Century Fox

Film Corp., Universal City Studios Inc., The Walt Disney Co. and Warner Bros. Inc.

Betting said Tuesday that the complaint — which charges provision with airing the movies without authorization from either the movie companies or the three cable networks — is groundless.

He also accused Cablecom of Tampa, the city's largest cable provider, of engineering the complaint in an attempt to drive Providence out of business.

"They want to create a bad image," Betting said. "They have a problem with competition."

"Somebody's on a flaking expedition here, and it's misleading."

Betting said his company currently has 16 valid contracts with HBO, Showtime and Disney to broadcast

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Cablevision Opts for Interdiction

By GARY KIM

In the largest single deal of this type to date, Cablevision Systems Corp. has bought \$6.5 million worth of addressable interdiction equipment from Scientific-Atlanta Inc., for deployment in 40 Cablevision systems.

Cablevision will use the single-port units to provide a broadcast basic tier of service including local off-air stations and public, educational and government access channels, said William Quinn, Cablevision's president for cable operations.

The Cablevision deployment also represents a first in its use of single-port units. Up to this point, interdiction deployments at a dozen or so other systems have used four-port units, said Jim Elmore, Cablevision engineering vice president.

Also, the S-A units to be installed are the first to use a subscriber-powering scheme. The other installations use power supplied by the network.

Cablevision officials had been scratching their heads about how to comply with anti-buy-through, possible must-carry and channel-positioning requirements of the new Cable Act, and compared the cost implications to the cost of the use of traps to achieve the same ends, said Elmore.

The major problem is that major channel realignments would have been required in many, if not all, cases, he said. So the real headache wasn't the cost of the filters, which would scrub out all basic programming other than off-air and PEG channels for customers who elected to buy the basic service.

The bigger problems came in the marketing and labor cost areas. For starters, the channel realignment would have been terribly disruptive for customers, said Elmore. "We would have had to remarket each system," he said.

On top of that, each time a subscriber wanted to upgrade or downgrade service, a truck roll would have been required. And that, more than the cost of the equipment, looked to be the long-term problem, he said.

Ironically, the Cable Act has allowed Cablevision to "turn a negative into a positive."

**Jim Elmore, engineering VP,
Cablevision Systems Corp.**

Add to that mix the inevitability of a la carte service and the problems just seemed to multiply, Elmore said.

But once Cablevision started looking at interdiction as an alternative, a line of thought that initially seemed unusual, Elmore said, other benefits became apparent.

The interdiction units allow control of each channel coming down the drop on an individual basis. That means Cablevision now can readily consider offering pay-per-view events to sports bars, hotels and motels.

Ironically, the Cable Act provisions have allowed Cablevision to "turn a negative into a positive," said Elmore. Though the technology was there all the time, "we never had a compelling reason to deploy it, and certainly never in this particular way," he said.

The flexibility gained extends to future changes in channel positioning that may come about if some current provisions of the Cable Act are changed, or if local broadcasters should themselves decide to make changes, he said.

If a particular broadcaster decides that "on-channel positioning," for example, is more important than retransmission consent, accommodating necessary changes using the addressable interdiction units is simple, said Elmore.

Cablevision probably will order 30,000 to 40,000 units initially, he said. ■

A Different Box in Every Home

It doesn't look like operators are going to be buying the same converter for all of their customers

Cable operators might be putting a converter box in every customer's home soon, but if most of the vendors in the industry have their way, it doesn't look as though they'll be putting the same type of converter in each house.

There's no doubt about it, boxes are getting more complicated. But not all boxes are getting complicated in the same way, and some equipment manufacturers are starting to market different boxes for different types of customers. Or they're offering the same basic box that can be changed, depending on the services a customer wants.

That's not only a reflection of different kinds of customers that have always existed in cable systems, but it's a way to

ter in the converter-features war that's being brought about by the sheer volume of programming available through cable.

"What you're seeing is a positioning that's trying to make a converter seem like an asset," says Paul Dempsey, director of marketing and new technologies with Pioneer Communications of America. Pioneer has been pushing a new converter, its BA-9000, a version of the device the company developed for Time Warner's Brooklyn-Queens system, with an expansion port to allow for add-ons like decompressors. It also allows for picture-in-picture televisions.

Scientific-Atlanta has been touting its 8600X converter, which comes with a "genius" card that allows operators to

vices to sell into the home?" says Gary Trimm, president of S-A's subscriber systems division. "All of these new and fancy features cost money. To make it economical for the cable operator we have to keep that cost as low as possible."

"The trick is, from a manufacturer standpoint, not to burden the cost of every unit," says Trimm.

S-A, Pioneer and Jerrold are also starting to worry about "future-proofing" equipment. While almost everyone acknowledges that converters probably aren't going to last as long as it takes for new technological developments to come along—most notably digital compression—that's a fear that's plagued operators in the past. It also opens up marketing opportunities for vendors.

"I say it's the time of the adapter," says Dempsey, who says he's not sure the long-term survival of a converter is guaranteed

Employees Win When Pirates Lose

Fourteen months ago, the last thing Metrovision technicians had on their minds was reporting suspicions of service theft in their service area, in the northwest suburbs of Detroit. "No one thought getting involved would make a difference," says Terry Fedder, one of Metrovision's 25 technicians in the area, which covers 100,000 subs in Oakland County, Livonia and Redford, Mich. "You might find an authorized drop and disconnect service, then go back six months later and find the drop hooked up again. Because there was no management protocol to attack the problem, you had no inclination to do anything about it."

As 1993 gets underway, however, a different mindset is prevalent among both technicians and management working at the Newhouse Broadcasting division's Detroit systems. Employee indifference has been replaced by a spirit of cooperation. Both sides attribute the turnaround to a comprehensive anti-theft program over the last 14 months, in which technicians investigate tips phoned in by subscribers, then join Dan Dinsmore, Metrovision's regional marketing manager for Detroit, on visits to unauthorized customers.

So far, Metrovision has spent more than \$16,000 on the program, which includes use of a hotline service and

gram was constructed in part to overcome employee attitudes. "At the same time we're making our customers aware of just how serious a crime theft is, we're trying to showcase how serious we are within our workforce," he explains.

Indeed, Dinsmore wasn't motivated to design a plan until some of Metrovision's door-to-door salespeople found—and reported—some unauthorized drops while making calls in the summer of 1991. An audit provoked by those reports concluded that 22 percent of the disconnected drops in the Oakland County system were still active, compared to less than 10 percent in the other two systems. Metrovision declined to estimate how much revenue the Detroit systems lose per year.

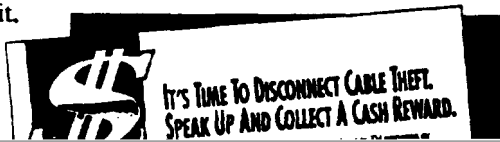
With the audit results in hand, Dinsmore organized an ad-hoc committee of technicians, marketing officials and salespeople to design a plan. What

Besides curbing theft, a crackdown by Metrovision in Detroit is making a difference in employee relations

emerged from the group was a three-part strategy: a rigorous drop inspection policy; consumer media campaigns, and a combo amnesty/subscriber notification program. As newspaper ads, cross-channel promos and billstuffers advised subscribers to come clean, either through amnesty or calling an 800

number to give information on piracy situations, Fedder and his peers disconnected any illegal drops found during inspection rounds.

After the amnesty campaign turned up only two subscribers willing to legalize service in Nov. 1991, Metrovision launched its crackdown. Using employee tips, plus information from subs calling an 800 line, two technicians joined Dinsmore and local private investigator Dennis Debbaudt on visits to unauthorized households. If an inspection turned up illegal equipment, the subscriber was asked to turn over the goods, or face termination of service and possible prosecution. Subscribers who call the 800 line (operated by The Network, an Atlanta company that provides similar services to other MSOs) earn up to \$300 if



NEWS

Fighting Signal Theft

NCTA says new cable law, which makes piracy a felony, should help

BY AL STEWART

Although the cable industry has generally regarded the Cable Act of 1992 as a thorn in its side, it will help operators step up the fight against signal theft.

The National Cable Television Association said last week that provisions of the new law may help the industry recover a portion of the estimated \$4.7 billion lost to signal theft each year.

"As of Dec. 4, selling the (signal theft) devices will become a felony," said Jim Allen, director of the NCTA's Office of Signal Theft

at a Western Cable Show press conference in Anaheim, Calif. "Congress has recognized the seriousness of the crime by adjusting the legislation to prosecute cable pirates. The new teeth added to existing laws will help the industry more effectively combat the problem."

Allen noted that as of Dec. 4, when segments of the new law went into effect, fines for commercial theft convictions doubled to \$50,000 and maximum prison terms were extended to two years. Each sale of an unauthorized device will be considered a separate offense under the

new law, Allen said.

Allen noted that local governments should have a keen interest in curbing signal theft.

TURNER-ISM: Trying to put some topspin on reregulation during the Western Show's opening session, **Turner Broadcasting System Inc.** chairman Ted Turner said, "I'd rather be in our position than be a broadcaster. I'd rather have my cable franchise than a bunch of broadcast stations." His remarks won loud applause from the audience.

Fellow panelist John Malone, the president of **Tele-Communications Inc.**, noted that reregulation will trigger "an enormous shift to a la carte programming." He added, "We've pushed one-size-fits-all beyond its life expectancy."

FUN AND GAMES: Game show programmer **Mark Goodson Productions** has signed on as equity partner in **The Game Show Channel**, the yet-to-be-launched network created by Sony Corp. and United Video. The deal will give the network some 20,000 episodes of shows including "Beat The Clock," "Family Feud" and "The Price is Right."

S-A ACQUISITIONS: Saying the deal

would help both companies crack new markets, **Scientific-Atlanta Inc.** last week said it had agreed in principle to acquire **Nexus Engineering Corp.** Nexus, which has strong relationships in Asia, the Middle East and Latin America, will market and service Scientific-Atlanta products in those areas.

S-A will help Nexus to make forays in the U.S. and Europe, two of Atlanta-based S-A's strongholds.

"It's an opportunity to take the technology we have worked hard to develop and move it to many more customers by using the strength of Scientific-Atlanta," said Nexus president Peter van der Gracht.

No terms were announced. Van der Gracht said some element of the Burnaby, B.C.-based company would not be included in the acquisition, but that elements moving to Scientific-Atlanta under the deal represent the "bulk" of the concern.

Nexus is a manufacturer of headend equipment, ranging from 1Ghz to satellite master antenna equipment.

Those smaller units appear to have attracted the attention of Scientific-Atlanta. Chairman Bill Johnson declined to give any projections on the growth of that market, but van der Gracht said it is "very, very large and growing quickly."



REPORTER'S
NOTEBOOK

CABLE WORLD

SUBSCRIPTION ORDER CARD

Fill in, sign and mail to:

Cable World
1905 Sherman St., Suite 1000
Denver, CO 80203
or fax to: (303) 837-0915

Please send me:

- ☐ Two years at \$76 ☐ Charge my: ☐ MasterCard ☐ Visa
☐ One year at \$42 ☐ Payment Enclosed Acct.#
☐ Outside U.S.: One year at \$125 ☐ Canada: One year at \$80
(Payable in any major currency)

Signature _____ Expires _____

Name _____

Title _____ Company _____

Address _____

City _____ State _____ Zip _____

Phone No. (_____) _____ Date _____

PLEASE PRINT OR TYPE

Expires 12/31/92

BUSINESS CLASSIFICATION:

What is your title? _____

(Please be specific)

Please check the category that best describes your firm's primary business (please check only one).

- ☐ A. Independent Cable TV System
☐ B. MSO (two or more Cable TV Systems)
☐ C. Cable TV Contractor
☐ D. Cable TV Program Network
☐ E. SMATV or DBS Operator
☐ F. MDS, STV, or LPTV Operator
☐ G. Microwave or Telephone Company
☐ H. Commercial Television
☐ I. Cable TV Component Manufacturer
☐ J. Cable TV Investor
☐ K. Financial Institution, Broker or Consultant
☐ L. Law Firm or Government Agency
☐ M. Program Producer or Distributor
☐ N. Advertising Agency
☐ O. Educational TV Station, School or Library
☐ P. Other

(Please describe)

Broadcasting

Technology

COMMERCE CLEARS V.C.-DC EXPORT IN TIME FOR SRCA

HBO, GI AGREE TO REPLACE HEADEND DECODERS

Other programers expected to follow suit in effort to preempt commercial VC-II attacks

By Peter Lambert

During the second and third quarters of 1993, HBO and General Instrument will replace and upgrade approximately 25,000 commercial VideoCipher-II satellite decoders at no cost to HBO affiliates.

Expecting other premium cable networks to follow HBO's lead in the coming year, GI is preparing to manufacture 100,000 VideoCipher-RS (renewable security) decoders.

Last week—just as industry comments on satellite cable programing encryption came due at the FCC (see page 63)—HBO told affiliates of its commitment. They will be asked to cover only the cost of shipping their VC-II or VC-Plus units back to GI.

Although neither HBO nor GI

would discuss dollar figures, VideoCipher Division President James Bunker said his company is "supporting the cost of the commercial upgrades." He also said the integrated receiver-decoder costs are "comparable" to current VC-II costs.

GI spent \$50 million to build and distribute more than 200,000 home satellite consumer versions of the VC-RS decoder in 1992. Once virtually all legitimate subscribing consumers had the VC-RS decoders installed and authorized, HBO became the first programmer to shut off its consumer VC-II data stream, on Oct. 19, 1992. Bunker said all major programers have now done the same.

However, although consumers are now armed with replaceable encryption smart cards (considered an effective

way to make piracy too costly to maintain) the danger remains that signal pirates will go after the commercial VC-II and VC-Plus (horizontal blanking interval) data streams now fed to cable systems.

Therefore, HBO has committed to deliver only VC-RS commercial streams (via vertical blanking interval) as well by the end of 1993. "We think it's important to secure all our feeds, and I think others will follow because it makes sense," said Robert Zitter, senior VP, technology operations, HBO.

In addition to preempting piracy of the commercial stream in the U.S., HBO is expanding satellite services in Europe, Latin America and elsewhere and is determined to use smart-card renewable security technology in every instance, said Zitter. ■

IN SYNC

TALKING COMPUTERS AT NAB '93

Major speakers from the computer industry will address the National Association of Broadcasters convention next spring in Las Vegas. John Sculley, chairman, CEO and chief technology officer for Apple Inc., will keynote the first NAB Multimedia World, April 19-22. And Craig Field, chairman-CEO of Microelectronics and Computer Technology Corp. (developer of the First Cities multimedia highway project) will be the engineering keynote speaker.

LOW-POWER APPEAL

With the next round of industry comments on HDTV now due Jan. 7, the focus on advanced TV channel allotments and assignments is heating up—not just inside the FCC, but also at the U.S. District Court of Appeals in Washington. Low-power television (LPTV) operator Polar Broadcasting Inc. has filed an appeal of the FCC's ruling that LPTV stations will not be among entities initially eligible for advanced TV frequencies. In that suit, the Association for Maximum Service Television has weighed in on

behalf of the full-power stations that would get first shot at HDTV channels under current rules. The FCC has asked the court to hold the case in abeyance until it settles a PBS petition for partial reconsideration and proposed allotment and assignment policies.

CONSUMER HDTV VCR

HDTV proponent Zenith Electronics and Korean manufacturer GoldStar Co. Ltd. have developed a consumer digital HDTV VCR. GoldStar says it has invested \$5 million and 18 months in designing the recorder, which is designed to use standard super-VHS cassettes and to become available in 1996 for \$1,000.

VOD TEST IN ROCHESTER

Digital Equipment Corp. has agreed to work with USA Video Corp. to bring the latter's Store and Forward Vision Video-on-Demand (VOD) technology to market by the third quarter of 1993. Century City, Calif.-based USA Video proposes to deliver VOD and interactive video services via cable and telephone networks. It will conduct a field trial

with the Rochester (N.Y.) Telephone Corp. in early 1993.

S-A PERSONNEL MOVES

On Dec. 21, 1992, a week after the departure of CEO William Johnson, Scientific-Atlanta named Robert McIntyre president of the Transmission Systems Division (including digital video compression and fiber optic equipment) of its Broadband Communications Group. He replaces David Fellows, who has joined Continental Cablevision Inc. as senior vice president, engineering and technology. McIntyre had been president of S-A's Headend Systems Division.

MSO'S BUY TELEPORT INTEREST

Continental Cablevision Inc. and Comcast Corp. have agreed to purchase 20% each of Teleport Communications Group (Staten Island, N.Y.) in newly issued shares, reducing ownership by Telecommunications Inc. (50.1%) and Cox Enterprises (49.9%) to approximately 30% each. Terms were not disclosed. —PDL

PAY-PER-VIEW

Video Dealers Commission Consumer Study on PPV

By R. THOMAS UMSTEAD
NEW YORK — The New Jersey-based Video Software Dealers Association will commission a consumer study to determine the effects of pay-per-view on home video rentals and sales.

The study, to be distributed to consumers around the country within the next two months, will attempt to find what effect PPV is having on home video sales, as well as how advances in PPV

technology will affect the video industry, said Don Rosenberg, executive vice president for the VS-DA.

He added that the study, which will be conducted by Cambridge Associates Inc., will also try to determine how much copying of movies is going on from both

PPV and pay cable.

Another area the study will focus on is the amount of cable signal theft, an issue that video operators are very concerned about, Rosenberg said. He added that although video rentals and sales for a particular movie fall when a movie picture hits PPV, the buy-

rates don't account for the falloffs on the video side.

"It seems that there is a tremendous amount of black boxes," Rosenberg said.

Rosenberg said he hopes to release the results of the survey at the VS-DA's annual convention in July.

Although he didn't want to prejudge the results, Rosenberg said the study will probably show that the general public is still confused about PPV, particularly since a number of recent reports have discussed the future of video-on-demand and other new PPV-related technologies. ■

MULTICHANNEL NEWS 11/16

SC Chicago Will Sue Bars for Signal Theft

CHICAGO — SportsChannel Chicago will sue 68 local bars for allegedly pirating its Chicago Blackhawks pay-per-view playoff games. SC Chicago said it will unveil further information about the suits at a press conference today. SC Chicago said this is the largest signal-theft case ever filed. Twenty-two defendants have already settled out of court.

OK The Kentucky Post, Wednesday, January 6, 1993

Man gets off easy in cable theft; Judge lambasts 'greedy' industry

From staff and wire reports

ASHLAND — A television regulation judge admonished selling illegal cable TV connections received the highest possible sentence — and an apology — from a federal judge who lambasted the cable industry.

U.S. District Judge Henry Wilhoit called cable television companies "lacking but legitimate pretenses" who have "preyed and preyed" customers' choice. The industry was discredited.

Without sentenced Larry Payne of

Ashland to a year of unsupervised probation after Payne pleaded guilty to one count of illegally selling the interception of a cable television signal.

The sentence, generally for the offense was one year in prison and a \$5,000 fine. But Wilhoit apologized for having to impose even the highest sentence.

"I hope you will accept this apology of the people of the United States, because that should have never been, not even," Wilhoit told Payne at the Dec. 18 hearing.

"I say to you, on behalf of this people of the United States of America, I apologize to you for the sentence of your arrest."

Wilhoit declined to order Payne to repay Dishman's Cable Services — which serves Ashland — any money it lost to customers who used the homes to which they were selling from their Office. The House Channel or Channel.

The judge said prosecutors had failed to demonstrate to him any "identifiable victims or amounts that they may have been victimized," according to an official transcript of the hearing.

Wilhoit also asked prosecutors why they had not gone after the so-called "kingpins" in the case — the companies who sold and/or modified the equipment and then advertised them for sale nationally.

"... All that has been accomplished in this case is just to mark a good man

— mark a good citizen with a first conviction," Wilhoit said.

Dishman's lawyer, I calculated the fine signal theft, but Ashland man David Shapinski said it was a "first does amount of revenue."

Shapinski questioned why Wilhoit passed to side with a defendant's plea.

"It seems like he let his personal views come from the bench," Shapinski said.

Joe Ryan, general manager of the Cable in Northern Kentucky, said the judge let his emotions override judgment.

"That of service to a criminal case under federal and state law," Ryan

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THE CINCINNATI ENQUIRER Wednesday, January 6, 1993

Cable firms called gougers

Judge blasts industry at sentencing of TV repairman

Jerrold Begins Production of Descrambler

HATBORO, Pa. — Jerrold Communications will begin production shortly of its new "Watch-'N'-Record" addressable descrambler, said Dan Moloney, director of subscriber product marketing.

The new unit, containing two separate tuners, allows customers to watch one scrambled premium channel while simultaneously tapping another. Until now, that operation has required the use of two separate descramblers.

The box also allows a cable TV customer with a high-end TV set with picture-in-picture to use that feature. Up to this point, customers outfitted with addressable descramblers were thwarted when trying to use that feature of their TVs.

The new unit could be the first of a new category of terminals that help operators comply with the new Cable Act requirements for a transparent customer interface.

The box, more expensive than a standard decoder, is "ideal for the high-end subscribers who demand more from their home entertainment systems," said Moloney. ■

Broadcasting Cable

CHICAGO BARS SUED OVER SIGNAL THEFT

SportsChannel looks to collect \$1.53 million each from record 68 establishments

By Rich Brown

In what has been billed as the largest signal theft case ever filed, SportsChannel Chicago took 68 Chicago-area bars to federal court in Illinois last week in hopes of collecting more than \$1.53 million from each.

"There has never been a case of this magnitude filed in one jurisdiction," said Jim Allen, director of the Office of Cable Signal Theft for the National Cable Television Association. Signal theft

by commercial establishments is an ongoing concern for such sports programming services as Home Box Office and ESPN, and it is estimated by the NCTA that \$3 billion is lost from the industry to signal piracy by residential and commercial users each year.

SportsChannel Chicago is charging the 68 bars with unlawfully intercepting, receiving and exhibiting Hawkvision, a pay-TV service that the programmer had set up to distribute exclusive coverage of 1992 Chicago Blackhawks home Stanley Cup playoff games.

SportsChannel Chicago has already had some success in pressing its suit against area bars in the case. Aside from the 68 bars in the suit, the programmer has settled out of court with 22 bars that the company had identified as illegally receiving the service. Two more settlements are pending.

The programmer was able to identify the 92 bars receiving the games through 30 investigators who were sent out in the field on the nights of the telecasts last spring. About 1,000 commercial establishments were monitored during the investigation, according to Cablevision Systems Corporation, security consultant on the project.

The investigation found that the level of fraud among commercial establishments in the area was about 10%, said Jeremy Margolis, an attorney representing SportsChannel Chicago. The national average is believed to be closer to 5%, according to the most recent NCTA data.

The SportsChannel Chicago complaint charges the bars with illegally obtaining Hawkvision in a variety of ways, including unscrambling satellite transmissions carrying Blackhawk home playoff games without authorization, or ordering the games at the lower residential price and then fraudulently showing the event in the commercial location. Many of the bars mentioned in the suit had been fingered by other commercial establishments that had paid the \$100 commercial fee for legally receiving each playoff game (residential users paid \$19.95 per game, or \$16.95 when purchased as part of a package).

According to attorneys for SportsChannel Chicago, the maximum penalty that could be imposed on each defendant would be \$1.53 million, plus court costs and fees, if found guilty of multiple violations of the Cable Communications Act of 1984. ■

IT'S SHOWTIME FOR SHOWTIME

Recently formed Showtime Entertainment Group has lined up a slate of projects for 1993 that will include a crime series by filmmaker Sydney Pollack and 16-20 movies with budgets mostly in the \$2.5 million to \$6 million range. Among projects in the works:

- *Curacao*, a thriller starring George C. Scott and the first title produced by Jones Entertainment, a division of MSO Jones Intercable.

- *Chanuilly Lace*, an unscripted and improvised original drama starring Martha Plimpton, JoBeth Williams, Talia Shire, Lindsey Crouse, Jill Eikenberry, Ally Sheedy and Helen Slater.

- *When a Stranger Calls Back*, a co-production with MCA Television Entertainment that will star Charles Durning and Carol Kane in a sequel to the 1979 thriller *When a Stranger Calls*. Also in development is a sequel to Alfred Hitchcock's "The Birds."

- *Body Bags*, a 90-minute trilogy by horror director John Carpenter.

- *The Wrong Man*, *Scam* and *Taking the Heat*, three action titles from Viacom Pictures featuring such actors as Rosanna Arquette and Christopher Walken.

- *Crack in the Kremlin Wall*, a spy story co-produced by Viacom Pictures and Quinta Communications, the Paris-based firm in which Silvio Berlusconi owns a principal share.

- *But Seriously Folks*, a comical look at major events in U.S. history, executive produced by Rob Reiner for Castle Rock Entertainment.

- *The Human Condition*, a series of half-hour episodes from Chanticleer Films featuring first-time directorial efforts by actors Sally Field, Danny Glover, Laura Dern, Peter Weller, Don Johnson, Treat Williams, Andy Garcia and others.

- *Marilyn Monroe: Life After Death*, a documentary featuring one-hour of never-before-seen home movies and more than 300 unpublished photos of the late star.

—RB

Police seize 300 illegal cable boxes

By Mark Hamblett
The Patriot Ledger

DEDHAM — State Police raided a little electronics shop between town hall and the fire station Friday and seized more than 300 "black boxes" used to descramble premium cable television channels.

"There were so many in there we had to rent a U-Haul to take them out," State Police Lt. Robert Zepf said.

Police seized the devices from Henry's Radio and Electronics Shop at 38 Bryant St. The descramblers enable cable subscribers to obtain premium channels such as HBO and Showtime without paying an extra charge.

Zepf said no arrests were made Friday but that police expect to seek a complaint against store owner Henry Schermerhorn next week. Schermerhorn, 46, could not be

Police seize 300 illegal cable boxes

■ BOXES

Continued from Page 1

up by the company.

William Dunderdale, director of security for Cablevision, said Schermerhorn was a major supplier of unauthorized black boxes in the Boston area. He said the boxes, 8 inches long by 7 inches wide, were sold for \$200 to \$225.

Dunderdale said cable companies have a number of ways to determine if a customer is using a black box.

A so-called electronic "bullet" allows the company to block the illegal reception of premium channels and pay-per-view events without the knowledge of the cable thief, Dunderdale said.

"We used it during the Evander Holyfield-Riddick Bowe fight a few weeks ago," he said. "We got a lot of calls from people saying they were having trouble getting the fight, but

300 cable devices

Editorials

THE PUCK STOPS HERE

SportsChannel Chicago is suing a record 68 sports bars for poaching its hockey playoff games and using them to attract customers (it has already settled with 20 other bars in the case). The bars used a variety of modi operandi for their crime, including unscrambling the satellite feed of the game and ordering the service at the lower residential price and then exhibiting the games for their commercial customers. SportsChannel Chicago's investigations found that about 10% of the area's bars were stealing the games. And nationwide, the National Cable Television Association estimates that the industry loses some \$3 billion to signal pirates annually.

We think one of the major problems with this type of crime is perception. It is a problem shared by computer software manufacturers and phone companies. Picking up a TV show, or making a call, or copying software, doesn't feel like stealing. It has an intangible quality that distances the criminal from the crime. You don't have to leave home, and you don't leave your fingerprints on anything. For that reason it is particularly tough to discourage. And for that reason we hope the bars guilty of such theft in the Chicago case are fined every penny of the \$1.53 million SportsChannel Chicago is asking for each offense. Given that it would have cost those bars at most a few hundred dollars to carry and exhibit the games above board and legal, it would impress upon them the seriousness—and stupidity—of this kind of fraud.

We hope the federal court case currently under way in Chicago sends a signal to sports bars—and residential pirates—across the country: Stealing is stealing.

OFF TARGET

The Department of Defense has proposed new rules that would restrict its national media pool. Some of the rules are unclear, and others would unnecessarily limit access to the pool. The Radio-Television News Directors Association has joined with the American Society of Newspaper Editors and the Newspaper Association of America to call for some clarification. We join in that call.

Among the suspect additions:

1. Guarantee of a pool "unless national security reasons suggest otherwise." Which roughly translates into: "We promise to provide access unless we decide not to." That national security caveat can cover a multitude of sins, and this one is the potential of dropping the pool if it becomes politically expedient. As a security issue, there are clearly restrictions short of exclusion.

2. Another new section would require that pool members "demonstrate a familiarity with the U.S. military" and have a correspondent who "visits military operational

units, regularly attends Pentagon press conferences and interviews senior military and civilian DOD officials." (We're reminded of the reporter's comment that "most press officers at the Pentagon wouldn't tell you if your coat was on fire.") Why must pool members be only those in frequent contact with the official channels? How much familiarity, and how demonstrated? The rule is too vague, and it discriminates against news organizations that do not have Pentagon correspondents.

3. The new rules would exclude any news organizations not U.S.-owned. Such a rule would apparently exclude Fox Broadcasting (and BROADCASTING magazine, if it wanted to participate in such a pool), and suggests that a news organ is necessarily compromised if it has an overseas parent. News organizations free from foreign government subsidy or control should be allowed in the pool.

There are other points of contention, spelled out in the RTNDA et al. letter to the Pentagon's Pete Williams. But suffice it to say the rules, which were read into the Federal Register, said DOD, in hopes of "obtaining public comments which will enhance the deliberative process," should get plenty of comment from the Fourth and Fifth Estates.

INFLATED HOPES

We are bracing for a new assault on the TV Marti front. The Florida contingent enamored of the balloon-borne boondoggle, led by Cuban businessman Jorge Mas, feels it has ammunition in the campaign rhetoric of Bill Clinton, who, when in Rome (make that Miami), told a crowd that he was interested in turning up the heat on Communist Cuba and supported an expansion of TV Marti to 24 hours a day.

We recommend to the President-elect the great body of independent evidence finding TV Marti a large waste of time and money at its present two-and-a-half-hour format, much less 'round the clock. We hope that in the post-election light of day, present reality will win out over past rhetoric.



Drawn for BROADCASTING by Jack Schmidt

" 'Run for your lives' is not an appropriate EBS test."

Exeter man nabbed for cable theft

Steve McGrath
N Staff

EXETER — Think going out to movies is expensive? Staying in was even worse for Alan C. Amirault, who allegedly rigged up an illegal "black box" for free cable service and got caught.

Police have charged Amirault, 31, of 21 Westside Drive, with theft of services and possession of "fraudulent communications paraphernalia" — the so-called black box, according to Exeter Police Lt. Richard Kane.

Black boxes are tampered versions of legal boxes that de-scramble cable signals or specify manufactured boxes that do the same thing. Continental Cablevision has been mounting an effort to prosecute those caught using these devices.

Both charges against Amirault are Class B misdemeanors punishable by up to \$1,200 fine, Kane said.

Amirault will be the town's first prosecution on cable fraud. Though Continental Cablevision has been filing civil suits, according to David Wolowitz of Portsmouth, the company's attorney.

Portsmouth and Exeter police are ahead of almost all departments in the state," he said, citing a Portsmouth conviction in a similar case earlier this month.

Continental will not tolerate theft. It is totally unfair to those customers who are paying for services," he said.

Nationwide estimates say 10 percent to 12 percent of people receiving cable services don't pay for them. Wolowitz said he is working on a number of dozen civil cases himself.

Wolowitz said cable thieves rarely get caught in three months.

Plumbers call Continental's free snitch line, 1-800-937-5571.

Continental's "sniffer truck"

detects stray signals, which alert the company to cheap wiring commonly associated with cable fraud.

• Black box dealers get caught and bargain with police or lawyers by disclosing their customers.

Amirault's case was not typical. Police were in his home to investigate an unrelated crime

"Continental will not tolerate cable theft. It is totally unfair to our those customers who are paying for services."

David Wolowitz
Cablevision attorney

when an officer noticed the suspicious-looking box. The officer went to the cable company, confirmed the box he saw was illegal, got a warrant, and returned to Amirault's house on Jan. 12 to summons him, according to Kane.

Amirault is scheduled to be arraigned on Friday, Feb. 26, at 8:30 a.m. in Exeter District Court.

Wolowitz said Continental has been hoping to get police involved in its crackdown, and he's delighted they've taken the initiative.

Exeter Police, meanwhile, will continue to investigate reports of cable fraud, Kane said.

"There aren't many prosecutions," said Wolowitz, "but there will be."



Staff photo/Matt Palmer

David Hodgdon a Continental Cablevision system technician, holds an illegal "black box," or de-scrambler left, and a cable box that was tampered with. Both are used to allegedly receive premium cable television channels without paying for the service.

Bars charged with stealing cable signals

SportsChannel Chicago this week filed a suit charging 68 area bars with "theft" of pay-per-view cable signals during 1992 NHL playoff games involving the Chicago Blackhawks. Appropriately, one establishment named in the suit is called Tightwads. Really. . . . Ratings alert: ABC's Buffalo-Miami Monday Night Football telecast this week drew a 17.5 Nielsen rating. (As always, each coveted ratings point equals 921,000 TV homes). That puts ABC's 1992 MNF average at 17.0, just 1% off the 1991 average.

MEDIA BUSINESS CORP

Patrick J. Gushman/DC Correspondent - Tel(202)223-0970 - FAX 223-0980

11/20/92

Phone Orders: FTC May Give Them Same Protection as Mail Orders

DC - The FTC has tentatively voted to amend its regulations of mail-order sales to give consumers the same protection for phone-order buys (this includes **PPV** and **home shopping**). The proposed change means merchants would have to ship orders within the time promised, or within 30 days of getting a completed order if a shipping time isn't specified. The commission also voted to include FAX orders in the definition of phone-order sales.

***Turkey Days:** Reasonable attorneys continue to differ on whether sooner is better than later for oral arguments before the U.S. District Court. But, selfishly, they'd all like to know how to spend their respective Thanksgiving weekends. Dec. 7 is still on for now, but word of consolidation, postponement, whatever, could come as early as today, next week, or as late as the week after.

***Programming:** Court TV and New York 1 News will simulcast *The Crown Heights Verdict* — A City Torn Monday at 9:30 PM ET. --- **CableData** has two free promo tools for **Cable ACE Awards** campaign efforts. Call 916/636-4719. --- **Sports-Channel Chicago** has charged 68 area bars with stealing **PPV** signals for **Chicago Blackhawks** NHL playoff games last season.

***Business/Financial:** The New York Times reports that, as **CableFAX** predicted (**MAXFAX** 11/9/92), **Westinghouse** has approached **Kohlberg, Kravis & Roberts** in an attempt to sell its broadcast operations. Westinghouse execs denied the report. --- **Turner Broadcasting** announced a cash dividend for Class A and B common stock of \$0.0125/share payable Dec. 17 to holders of record Dec. 1. --- **ESPN Phone Update**, a 24-hour, 900# phone sports service with news, info and scores, debuts tomorrow. It's 95¢/minute. Call 900/976-ESPN. --- **Time Warner** has declared a 7¢ regular quarterly dividend.

Jack Watch	Adelphia:	15, unch	Family:	11-1/2, dn 3/8	Phillips:	11-1/8, dn 1/8
	BET:	13, dn 1/8	GE:	78-1/8, dn 5/8	QVC:	26-1/8, up 1-1/4
	Cablevision:	31-3/4, up 3/4	GI:	22-1/4, up 1/4	S-A:	36, up 5/8
	CapCit/ABC:	448-1/2, up 4-1/8	HSN:	4-5/8, unch	TBS A:	21-5/8, up 1/4
	CBS:	189-1/4, dn 1/2	ICT:	5-3/4, dn 1/8	TCA:	21-3/4, dn 1/4
	C-Com:	14 3/4, unch	Inter A:	12, unch	TCL A:	10 1/2, up 1/4

CableFAX

'Scrabble,' 'Scattergories' joining TV game show circuit

From Observer who reports

Daytime television lost the soap "Santa Barbara," but come January it will gain two game shows hosted by Dick Clark and Chuck Woolery.

Woolery will host "Scrabble," an updated version of the show that ran on NBC from 1984 to 1990. Woolery also hosted the previous

■ A talk show featuring Leeza Gibbons and John Tesh of "Entertainment Tonight" will join NBC's daytime lineup next summer.

■ Variety reports that Johnson & Johnson has pulled its advertising from CBS's "Hearts Afire" because there was too much sex on the series and that Procter & Gamble has also put the show on notice and is withdrawing "Hearts" on a

replacement.

■ Home Box Office outpaced the competition as nominations were released this week for the ACE Awards, the cable industry's highest programming honors. HBO received 164 nominations. The pay cable network's "Dream On" series was the most recognized, with nine nominations. HBO's movie "Cohn," about